

	Future Estimated Costs and Revenue Changes at Steady State (Draft)				6% Cost of 2011 Fundraising (based on Chapter estimates)			
	DE	FR	CH	UK	DE	FR	CH	UK
Preliminary Funds Raised - 2011	\$5,119,465	\$1,248,187	\$461,838	\$1,294,490	\$5,119,465	\$1,248,187	\$461,838	\$1,294,490
Note: The 2011 numbers are used as a rough guide. These numbers are not a statement of future donations or fundraising/payment processing cost but are projections intended for discussion purposes only.								
Note: The cost are a combination of calculated estimates, information provided by the chapters, or cost taken from WMF operations.								
1. Chapter cost: Maintenance of independent servers in country for donor data including maintenance/security and pro-rated capital costs	\$5,000	\$5,000	\$5,000	\$5,000				
2. Chapter cost: Data breach insurance to cover liability for chapter and officers, including cost of researching/obtaining/maintaining insurance. (Based on 50% of our US cost.)	\$6,000	\$6,000	\$6,000	\$6,000				
3. Chapter cost: Third-party security audits of systems and processes (\$5K: this assumes an audit every two years at \$8K per audit and \$2K implementation costs, like development of security manual, confidentiality agreements for staff, data protocols, updated privacy policy, corrections, etc.).	\$5,000	\$5,000	\$5,000	\$5,000				
4. Chapter cost: Compliance with local fundraising and other laws including money transfer to WMF: mostly general legal costs associated with payment processing. This will vary according to country.	\$5,000	\$5,000	\$5,000	\$5,000				
5. Chapter cost: Headcount costs of paid chapter staff to execute payment processing, local fundraising and governance, including oversight of volunteers to execute in accordance with laws and internal values. Estimated at 3 FTE for FR, UK and CH. (\$75K per person including salary and benefits & overhead allocation.)	\$290,000[1]	\$225,000	\$225,000	\$225,000[2]				

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6. WMF cost: WMF headcount to manage coordination with payment processing chapters (negotiating fundraising agreements, ensuring compliance with agreements, facilitating money transfers, finance staff, providing legal advice and research: estimated pro-rated salaries and costs taken from legal, finance, global development). Conservative estimate.	\$20,000	\$20,000	\$20,000	\$20,000				
7. Chapter payment processing cost. (3.8% estimate based on 2010 UK data) [3]	\$194,540	\$47,431	\$17,550	\$49,191				
Direct cost	\$525,540	\$313,431	\$283,550	\$315,191	\$290,000[4]	\$74,891[5]	\$27,710[6]	\$78,781[7]
Cost as a percentage	10%	25%	61%	24%	6%	6%	6%	6%
8. Movement gain: UK Gift Aid Contributions.				-\$129,449[8]				
Net Cost	\$525,540	\$313,431	\$283,550	\$185,742				
	10.27%	25.11%	61.40%	14.35%				
Variable to be tested	The impact on donations relating to local messaging transparency needs to be tested.	The question to be tested: If chapters disclose how much of the donation is going to the chapters and how much is going to WMF how much will this impact donations?						
"Transparency Delta" between WMF Messaging and Local Messaging								
5% Loss of Revenue Impact	-\$255,973	-\$62,409	-\$23,092	-\$64,725				
Net Cost of Payment Processing	\$781,513	\$375,841	\$306,642	\$250,466				
10% Loss of Donations Impact	-\$511,947	-\$124,819	-\$46,184	-\$129,449				
Net Cost of Payment Processing	\$1,037,486	\$438,250	\$329,734	\$315,191				
20% Loss of Donations Impact	-\$1,023,893	-\$249,637	-\$92,368	-\$258,898				
Net Cost of Payment Processing	\$1,549,433	\$563,069	\$375,918	\$444,640				

1. Information provided by WMDE via e-mail on Internal-I. This is the cost of fundraising with an overhead allocation.--gbyrd Tue Feb 14 2012 12:31:06 GMT-0800 (Pacific Standard Time)
2. May be higher due to Gift Aid processing. --gbyrd Fri Feb 10 2012 11:57:13 GMT-0800 (Pacific Standard Time)
3. Estimated cost of chapters to payment process with Paypal or a credit card processor based on 2010 UK data. --gbyrd Tue Feb 14 2012 12:17:32 GMT-0800 (Pacific Standard Time)
4. Provided by DE chapter as cost of fundraising.--gbyrd Fri Feb 10 2012 09:04:11 GMT-0800 (Pacific Standard Time)
5. Estimated based on DE and UK percentage. --gbyrd Fri Feb 10 2012 09:03:05 GMT-0800 (Pacific Standard Time)
6. Estimated based on DE and UK percentage. --gbyrd Fri Feb 10 2012 09:03:40 GMT-0800 (Pacific Standard Time)
7. Provided by UK chapter. --gbyrd Fri Feb 10 2012 09:04:29 GMT-0800 (Pacific Standard Time)
8. Information as provided by the UK chapter. 10% of donations. --gbyrd Fri Feb 10 2012 09:05:06 GMT-0800 (Pacific Standard Time)